

Docket

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 91-335-C - ORDER NO. 91-753

AUGUST 30, 1991

IN RE: Application of Allnet Communication) ORDER
Services, Inc. for a Certificate of) GRANTING
Public Convenience and Necessity.) CERTIFICATE

This matter is before the Public Service Commission of South Carolina (the Commission) by way of the Application of Allnet Communication Services, Inc. (Allnet or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Allnet's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1990) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Allnet to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of Allnet's application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Allnet complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone & Telegraph Company

(Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on August 22, 1991, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier presided. B. C. Killough, Esquire, represented the Company; Carl F. McIntosh, Esquire, represented the Consumer Advocate; Caroline Watson, Esquire, represented Southern Bell; and F. David Butler, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing Southern Bell introduced a letter from its counsel Caroline Watson, to the Commission's Executive Director and a Stipulation between itself and Allnet which stated Allnet agreed not to complete intraLATA calls and if intraLATA calls were inadvertently completed, Allnet would reimburse Southern Bell. Hearing Exhibit 1. Allnet did not object to the introduction of this letter and Stipulation. Based upon the representation in this letter and Stipulation, Southern Bell did not actively participate in the hearing.

Allnet presented the testimony of J. Scott Nichols in support of its application. Mr. Nichols explained Allnet's request for certification to operate as a reseller of interexchange telecommunications services in South Carolina. He outlined Allnet's financial qualifications, background, and technical capabilities, and presented additional evidence of financial ability (Hearing Exhibit 2). Mr. Nichols explained that public convenience and necessity required issuance of Allnet's requested certificate, particularly because it provides individualized

customer service. Mr. Nichols testified that Allnet operated in some forty (40) other states.

After full consideration of the applicable law and of the evidence presented by Allnet, the Consumer Advocate, Southern Bell and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law.

FINDINGS OF FACT

1. Allnet is incorporated under the laws of the State of Michigan and has a certificate of authority to transact business as a foreign corporation in the State of South Carolina.

2. Allnet operates as a reseller of long distance telecommunications. Allnet purchases services from interexchange carriers certificated by this Commission.

3. Allnet does not intend to provide any operator services. If a customer desires operator services, the customer will be directed to Allnet's underlying carrier's operators.

4. Allnet has the experience, capability, and financial resources to provide the services as described in its application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a certificate of public convenience and necessity should be granted to Allnet to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of facility-

based carriers approved by the Commission.

2. Allnet shall only use network services which either block or switch to the local exchange carrier (LEC) intraLATA calls which are attempted over the network. If Allnet incidentally or accidentally completes any intraLATA calls, the LEC shall be compensated by Allnet as ordered by the Commission in Order No. 86-793, issued August 5, 1986, in Docket No. 86-187-C.

3. The Commission adopts a rate design for Allnet which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate level with the flexibility for adjustment below the maximum rate level has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). The Commission hereby requires Allnet to file maximum rate tariffs with this Commission.

4. Allnet shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Allnet shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Allnet's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1990).

5. For the provision of intrastate telecommunications

service Allnet may only use underlying facility-based carriers that are certified by this Commission to provide such service. Allnet shall notify the Commission in writing of its underlying carrier(s) and of any change in its carrier(s).


6. Allnet shall file its tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order.

7. Allnet is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. Allnet shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER
DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).